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## Kenya

**Post:** Nairobi

### Corn Update Report

**Report Categories:**

Grain and Feed

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**Report Highlights:**

FAS/Nairobi estimates Kenya will increase its corn imports to at least 600,000 metric tons during the July/June marketing year 2013 to meet increased food demand for Kenya's growing population. Corn is Kenya's primary staple with per capita consumption estimated at 98 kilograms. Tanzania, Uganda, and Zambia will likely supply most of the corn because of the current import ban on genetically modified (GM) products and the 50 percent ad valorem tariff on corn from countries outside of East African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) trade blocs.

**General Information:**

FAS/Nairobi's forecast for Kenya's 2012/2013 corn production is 3 million metric tons, down 100,000 metric tons from last year's crop and above the five year average of 2.8 million metric tons. The estimated decrease in production is based on several factors including delayed planting due to the late onset of Kenya's 2012 rainy season and poor availability of fertilizer and seed, higher than average precipitation in April and May, and an outbreak of Maize Lethal Necrosis (MLN) disease. In addition, in Kenya's grain basket, the North Rift, higher than average rainfall at harvest (November and early December 2012) will likely increase post-harvest losses. Because of the decline in production, FAS/Nairobi estimates Kenya will increase its corn imports to at least 600,000 metric tons during the July/June marketing year 2013. Tanzania, Uganda, and Zambia will supply most of the corn deficit because of Kenya's current import ban on GM products and the prevailing 50 percent ad valorem tariff on corn outside COMESA and the EAC member countries.

MLN disease outbreak, a combination of the sugarcane mosaic virus and the maize chlorotic mottle virus, wiped almost the entire corn crop in the South Rift region. Some cases were also reported in the North Rift. Kenya's Ministry of Agriculture advised farmers to uproot the diseased corn and plant alternative crops. However, the disease remains a threat in the next season.

The Kenyan government intervention in the corn market, continue to affect corn prices. For example, the government of Kenya through the National Cereals and Produce Board (NCPB) set the producer price at Kshs. 3,000 per 90 kg bag (\$388 per metric ton) from November 19, 2012 up from Kshs. 2,800 (\$362 per metric ton) a month ago for political reasons. The NCPB price is high relative to what market prices should be without government intervention. Most farmers are rushing to sell the grain ahead of the March 4, 2013 national elections to minimize risk in case of disruptions during the election. They are delivering the corn even in cases where they are not receiving payments, but only a NCPB IOU.

Corn farmers continue to face the following challenges:

- Increased weather variability;
- High incidence of diseases and pests (large grain borer, maize streak virus, maize lethal necrosis disease, etc.);
- Inadequate storage and drying facilities at farm level;
- Delayed payments for corn delivered to NCPB;
- Declining soil fertility leading to low yields per unit area; and
- Declining farm size due to ongoing land sub-division in corn and wheat growing areas.

Agricultural statistics in Kenya will be undergoing a transition in the coming year because the recently passed Constitution requires programs to be administered and statistics collected at a local level. These regional administrative boundaries have also become smaller. For example, the Rift Valley Province now has 14 counties, 66 districts, and 223 divisions, when before they had no counties, 19 districts, and 151 divisions. This decentralized system will make compilation of crop statistics challenging due to lack of historical baseline crop statistics data for the new districts, and the lack of statistical expertise at the local level.

**Production, Supply, and Distribution (PSD) Table 2012/2013**

Corn Kenya (1,000 MT)	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1,000 HA)	1,925	2,008	1,950	2,131	1,975	2,150
Beginning Stocks	264	264	377	298	363	205
Production	3,222	3,465	3,100	3,100	2,600	3,000
MY Imports	100	129	400	411	500	600
TY Imports	300	251	400	365	500	600
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	3,586	3,858	3,877	3,809	3,463	3,805
MY Exports	9	10	14	14	10	5
TY Exports	8	9	10	12	10	5
Feed and Residual	100	350	200	390	100	420
FSI Consumption	3,100	3,200	3,300	3,200	3,100	3,250
Total Consumption	3,200	3,550	3,500	3,590	3,200	3,670
Ending Stocks	377	298	363	205	253	130
Total Distribution	3,586	3,858	3,877	3,809	3,463	3,805
Yield	2.	1.7256	2.	1.4547	1.	1.3953

**Data Source:** Latest available Government of Kenya area harvested and production data—Latest available GTA data—  
Otherwise FAS/Nairobi estimates

#### Notes on PSD Table

- Area Harvested and Production data were adjusted based on latest available statistics from Kenya's Ministry of Agriculture (MoA) for MY 2010/2011 and 2011/2012.
- Feed and Residual data increased due to growing demand for animal feed manufacturing and increased post harvest losses attributed to pounding rains at harvest in key corn growing regions
- Increase in Food, Seed and Industrial (FSI) demand- MoA estimates annual corn consumption at 4 million metric tons (3.72 million 90 kilogram bags per month for a population of 40 million people).
- FAS/Nairobi's production (MY 2012/2013) and consumption estimates (for the three marketing years) are lower than MoA's based on our crop assessment field survey and market intelligence.